

# Biomass firm considers Northwest

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Legislators, state employees and multiple-use advocates met Friday to hear a presentation from a Libby biomass company.

Representatives from US Bioenergy Corp. explained the company's processes and products and outlined its goals in an effort to gauge interest in building a biomass plant in Northwest Montana.

Biomass describes a process where forest waste such as undergrowth and unmerchantable trees are compacted into solid blocks. The blocks can be cut and sold as beams or burned to produce power.

**US BIOENERGY SAYS** it has the understanding of and the appropriate technology licenses to build such a plant, but it needs up to \$60 million to do so.

"This is going to happen somewhere, and we'd like it to be Libby,"

Gary Callihan, Bioenergy vice president, said.

Callihan said the company already has about half of the necessary money pledged from private investors and hopes government grants and subsidies will add to the needed sum.

But right now, the company is asking for only about \$500,000 from the government, Callihan said. That money would be used to do preliminary assessment studies on potential sites.

Ideally the company would build in Libby because the area has a few abandoned mills and has plenty of wood nearby, Callihan said. Bioenergy is looking at the old Stimson Mill as a possible Libby location but also has identified sites elsewhere that might work.

Callihan said that the company would consider the old Kalispell Lumber Co. site.

"Wherever it is, it will consume waste from both places," he said.

Such a plant could either sell or burn the compacted blocks, that

Bioenergy calls Biostrand Wood Products. For example, if a city were to pay for the plant, it could burn the blocks and allocate the power as it wished, Callihan said. A plant would employ about 150 people, he said.

Listeners included people from the governor's office, the Department of Natural Resources and Conservation, Montanans for Multiple Use and several legislators.

**"I THINK IT HAS** tremendous potential. It's a huge capital investment, obviously," said Senate President Bob Keenan, R-Bigfork.

Keenan said he often looks at Europe's forest management policies for examples of how Montana could handle its resources, and the biomass technology is an option some countries, such as Finland, have taken.

The biomass process originated in Australia about 20 years ago, Callihan said. An Australian biomass firm recently opened the United State's first plant at Mississippi State University, he said.

## Montana sites

"Now our whole driving force is to get the first production mill in the West," Callihan said.

Callihan, who has a background in forestry, and three other Libby men formed the company about two years ago based on common concerns about forest management, wildfires and related issues. They decided to look into how they could remedy the problems they saw.

The other three men are President Mike Powers, Executive Vice President Lee Tonner and Treasurer Jeff Staska.

The men are working with a firm that specializes in obtaining funding for similar projects.

They expect to start work on a funding package sometime in January, Callihan said. The firm will contact legislators and other government officials about securing money for the plant.

**KEENAN SAID HE** plans to stay active in future discussions about a possible plant, but he said he also is

interested to see the reaction from environmentalists and other interested parties since forest management is such a hot issue.

But Bioenergy representatives say their process is environmentally friendly.

The process uses forest waste and creates a product that can be either sold or cleanly burned.

And Bioenergy would make use of the thinning projects that will take place under the Healthy Forests Restoration Act of 2003 that President Bush signed into law on Dec. 3, Callihan said.

Bioenergy would provide an environmentally friendly way to take care of the forest waste created by the thinning projects, Callihan said.

"I've been trying to think of what's wrong with (biomass) — and I haven't been able to come up with anything," Keenan said.

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